

New York State Office Of General Services  
Procurement Services Group  
Corning Tower Building  
Empire State Plaza  
Albany, New York 12242  
<http://www.ogs.ny.gov>

## PURCHASING MEMORANDUM

### GENERAL INFORMATION BULLETIN

**NUMBER:** CL-770

**DATE:** October 2, 2012

**PLEASE ADDRESS INQUIRIES TO:**

Customer Services  
(518) 474-6717  
[customer.services@ogs.ny.gov](mailto:customer.services@ogs.ny.gov)

**SUBJECT:** Electronic Bidding and Reverse Auctions

**TO ALL STATE AGENCIES AND OTHERS AUTHORIZED TO USE STATE CONTRACTS:**

Changes to State Finance Law enacted with the 2012-13 budget provide additional authority for the Office of General Services (OGS) and other state agencies to conduct electronic bidding and reverse auctions. The law also requires OGS to report on the success of and make recommendations regarding future use of these methods.

State Finance Law Section 163.7 details more specifically the state's ability to use electronic submission as the sole method for bid submission. **Importantly, the new law limits the total number of such events to 85 for the period of April 1, 2012 through March 31, 2015. The law also allows up to 20 reverse auction events through electronic means during the same time period.**

The law also expands already required procurement record processes as follow:

- Except where otherwise provided by law, procurements shall be competitive and State agencies shall conduct formal competitive procurements to the maximum extent practicable.
- State agencies shall document the determination of the method of procurement and the basis of award in the procurement record.
- Where the basis for award is a best value offer, the state agency shall document, in the procurement record and in advance of the initial receipt of offers, the determination of the evaluation criteria, which whenever possible, shall be quantifiable, and the process to be used in the determination of best value and the manner in which the evaluation process and selection shall be conducted.

As a courtesy to all affected state agencies, OGS is notifying you that we will be conducting events utilizing both of these methods in the coming months and years. In order for this office to gather the necessary information to meet our statutory obligation to report on and recommend future use of electronic bidding we **ask all agencies to provide OGS in advance information regarding your intent to utilize electronic bids and reverse auctions, and summary information once your events are completed (see template below).** Please note that any electronic acceptance or reverse auctions conducted as "best and final" pricing exercises under existing statewide or agency specific contracts are not counted in the maximum number since these contracts already exist.

Please also note that, while we are requesting similar information to fulfill our reporting obligations from SUNY/CUNY and State Authorities, electronic events conducted by SUNY/CUNY and State Authorities are independent of those conducted by Executive State agencies and are not subject to the limits specified in the new law.

A reporting template has been created for your use on the OGS website at: [http://www.ogs.ny.gov/BU/PC/purchase/spg/pdfdocs/CL770\\_EBRAQuestionnaire.xlsx](http://www.ogs.ny.gov/BU/PC/purchase/spg/pdfdocs/CL770_EBRAQuestionnaire.xlsx)

Questions can be directed to the Purchasing Officer listed at the top of this bulletin.

Intent to utilize notices and event reports (reporting template) should be forwarded to [electronicbidevents@ogs.ny.gov](mailto:electronicbidevents@ogs.ny.gov)

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